

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

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December 3, 2007

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street, N.E. Washington, DC 20426

SUBJECT: Final Environmental Impact Statement for Hydropower Relicensing of the

Santee Cooper Hydroelectric Project, FERC Project No. P-199-205 in

Berkeley, Calhoun, Clarendon, Orangeburg, and Sumter Counties, South Carolina

CEQ Number 20070459

Dear Secretary Bose:

The U.S. Environmental Protection Agency (EPA) has reviewed the referenced Final Environmental Impact Statement (EIS) in accordance with its responsibilities under Section 309 of the Clean Air Act and Section 102(2)(C) of the National Environmental Policy Act (NEPA). The Federal Energy Regulatory Commission (FERC) proposes to approve a new major license for the Santee Cooper Hydroelectric Project, FERC Project No. P-199-205 in Berkeley, Calhoun, Clarendon, Orangeburg, and Sumter Counties, South Carolina. The South Carolina Public Service Authority (SCPSA) owns and operates the Project. The Santee Cooper Project has an installed capacity of 134.5 megawatts (MW) and includes two hydroelectric dams and two reservoirs.

Five alternatives were evaluated in the Final EIS: 1) SCPSA's license application proposal; 2) final settlement agreement (FSA) conditions developed by SCPSA, the U.S. Fish and Wildlife Service and South Carolina Department of Natural Resources; 3) state and federal agency recommendations outside the FSA; 4) FERC staff alternative; and 5) the no action alternative (continued operation as required by the existing license). The FERC staff alternative, which includes the FSA conditions and some additional modifications based on agency recommendations, is the preferred alternative.

EPA's primary issue raised in the review of the Draft EIS was concern that discharges from Lake Marion into the Santee River, downstream of the Santee dam, do not meet state water quality standards for dissolved oxygen (DO) during mid to late summer based on continuous monitoring data. In our Draft EIS comments, EPA suggested the need for enhancement measures to increase DO concentrations and improve water quality in the Project tailwaters as part of the new license. The Draft EIS concluded that the new minimum flow releases in the Santee River bypassed reach would likely improve DO levels due to spilled releases of higher DO, surface waters below Santee dam. Based on this, EPA recommended that monitoring should be utilized to determine the effectiveness of the new flow releases and other project changes on improving water quality.

EPA appreciates the FERC responses to our Draft EIS comments in the Final EIS and the addition of water quality monitoring elements in the staff recommended adaptive management program. EPA supports development of an adaptive management plan that includes monitoring of minimum flows in the Santee River and a means to ensure that downstream water quality and aquatic habitat enhancement occurs. Water quality monitoring, as part of the preferred alternative, should identify excursions from state standards for DO and assist in the identification of operational and other measures to remediate any water quality concerns. This would be accomplished by establishing a process that includes a schedule for regular review of effectiveness and a mechanism to implement changes, as necessary. These are important elements that should be included in the adaptive management plan.

The Final EIS identified that the new minimum flows would be provided within 36 months of the issuance date of the new license or within 30 days of the installation of a new minimum flow generating unit (turbine) at Santee dam, whichever occurs first. However, SCPSA has not formally proposed installation of a new turbine, and any future proposal to install a new turbine at the project would be evaluated and analyzed under a separate license amendment. If a new turbine is proposed to provide minimum flows, EPA continues to recommend consideration of installation of the unit higher in the water column to avoid similar DO problems or utilize "through-the-blade" aeration technology (e.g., installation of aerating runners) in the new turbine to ensure elevated DO levels in the project tailwaters.

Based on the additional measures and monitoring programs described in the Final EIS, EPA has no additional concerns related to this project. We appreciate the opportunity to review the proposed action. Please contact Ben West of my staff at (404) 562-9643 if you have any questions or want to discuss our comments further.

Sincerely,

Heinz J. Mueller, Chief NEPA Program Office

Office of Policy and Management

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cc: U.S. Fish and Wildlife Service, Charleston Field Office
NOAA National Marine Fisheries Service
South Carolina Department of Health and Environmental Control
South Carolina Department of Natural Resources
South Carolina Public Service Authority